

# 2008-2009 PERFORMANCE PLAN – Portfolio Manager, U.S. Government Securities (R. Grady)

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## Quantitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
30%	CalPERS Domestic Fixed Income (FI), Internal	Net of Fees, excess return in basis points relative to: Domestic Fixed Income (FI), Internal – CalPERS Custom LEH LPF {SW4KA1 – CALCCLP2}	0 basis points = 0 +40 basis points = 1.0 +60 basis points = 1.5
20%	Other Managed Fixed Income Funds	Net of Fees, excess return in basis points relative to: <ul style="list-style-type: none"> <li>(10%) CalPERS U.S. Government TIPS Fund – Lehman U.S. TIPS Index {SKA1 – CALTIPS2}</li> <li>(5%) Lehman Aggregate U.S. Government – Lehman Aggregate Government {SKA8 – X22D}</li> <li>(5%) CalPERS Inflation-Linked Bond Fund-Lehman Custom Inflation-Linked Bond Index {SWGN – CPERLTPI}</li> </ul>	0 basis points = 0 +10 basis points = 1.0 +15 basis points = 1.5  0 basis points annualized = 0 +20 basis points annualized = 1.0 +30 basis points annualized = 1.5  0 basis points = 0 +5 basis points = 1.0 +8 basis points = 1.5
35%	CalPERS Internal Governments	Net of Fees, excess return in basis points relative to: Internal Governments – CalPERS Custom Government {SW1H – CALCTI2}	0 basis points = 0 +20 basis points = 1.0 +30 basis points = 1.5
85%	Subtotal	Quantitative Measures	

## Qualitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
15%	Leadership	<i>Human Resources staff is working with the Interim Chief Investment Officer to develop the qualitative leadership performance measures which will be presented for second reading.</i>	From Schedule
15%	Subtotal	Qualitative Measures	
100%	Total	Quantitative and Qualitative Measures	